

APR 28 1998

BEFORE THE  
Federal Communications Commission  
WASHINGTON, D.C.

Federal Communications Commission  
Office of Secretary

In the matter of  
Petition for Declaratory Ruling to  
Declare Unlawful Certain RFP  
Practices by Ameritech

) CC Docket No. 98-62  
)  
)

PETITION FOR DECLARATORY RULING  
OF  
SPRINT COMMUNICATIONS COMPANY, L.P.

Sprint Communications Company, L.P., by its attorneys and pursuant to Rule 1.2, hereby petitions the Commission for a declaratory ruling. Sprint seeks a ruling that certain conduct by Ameritech, as described in detail below and in Attachment A, violates the interLATA restriction of Section 271 and the equal access and nondiscrimination obligations preserved in Section 251(g) of the Communications Act, as added by the Telecommunications Act of 1996. Sprint respectfully asks the Commission to find the activity described unlawful and to order Ameritech to immediately cease any such conduct.

On or about March 2, 1998, Ameritech issued a Request for Proposal<sup>1</sup> seeking bids from providers of interLATA services for

<sup>1</sup> The Request for Proposal (RFP) was apparently posted on Ameritech's web site over the relevant time period. It is submitted here as Attachment A. Although the RFP purports to impose a confidentiality requirement, Ameritech cannot lawfully do so given that 1) the RFP was published on the Internet without

the stated purpose "to team with Ameritech." RFP at 1. The teaming arrangement, as described in the RFP, contemplates a relationship whereby Ameritech and an IXC selected by Ameritech will make "joint offers" to residential and business customers, for amounts of domestic interLATA minutes estimated at 276 million this year and potentially upward of 1.39 billion for the year 1999.

The relationship prescribed by the RFP assigns to Ameritech all significant aspects of the marketing, provisioning and servicing of both intraLATA and interLATA services, and relegates to the IXC little more than interLATA transmission. First, Ameritech has assigned itself the responsibility of marketing the joint offers. RFP at 7. The selected IXC must pay a share of Ameritech's marketing expenses by remitting to Ameritech a surcharge (set by Ameritech) on all minutes carried by the IXC for the joint offers. Id. Further, Ameritech prohibits the IXC "from marketing to customers of the joint offers, for so long as they remain customers of the joint offers...." Id. Ameritech insists as well that it "serve as the originating point of all customer service for customers...." Id. at 8. Ameritech has also taken upon itself the responsibility for designating the rate structure for the IXC services. The price levels, while initially proposed by the IXC, are in effect set by Ameritech through the bidding process. The IXC cannot thereafter change the prices without the prior consent of Ameritech. Id. at 5, 12.

---

any secured access, and, in any event, 2) disclosure is required for law enforcement purposes.

Finally, Ameritech apparently seeks to act as billing and collection agent for at least some of the IXC services. Id. at 5.

Sprint hereby requests a ruling by the Commission that the above-described arrangements are unlawful because they flatly violate Section 271(a) of the Communications Act and Section 251(g) of the Act. The participation by Ameritech in the described arrangements plainly puts Ameritech in the business of providing interLATA services, and no exception provided in Section 271 allows for this. By placing itself in the position of selecting the long distance carrier for targeted customers, i.e., customers potentially served by the joint offers, and then marketing the services of the selected carrier, Ameritech is itself engaging in interLATA services and thus violating the law.

The arrangement plainly injects Ameritech into forbidden activities. First, of course, it is Ameritech that will select the IXC who will benefit from this favored position. As discussed below, this alone violates the interLATA prohibition, as the MFJ court ruled more than a decade ago. Second, Ameritech will be marketing interLATA services, another prohibited activity. Significantly, the RFP purports to displace the IXC from marketing to customers of the joint offer any services which "compete with or substitute for any part or parts of the joint offers." Id. at 7. This precludes the IXC from marketing not only long distance services, but local services as well to these customers. Third, the IXC selection made by Ameritech will have been based on a number of responses by the IXC seeking to reshape

its services and pricing in ways designed to gain favor with the ILEC. Ameritech, in effect, is using the RFP process to define and format the offering and provisioning of the interLATA services. The RFP commands the performance by the IXC of nearly one hundred service specifications, including ordering and provisioning standards, operator services criteria, billing and collection arrangements, legal and regulatory duties, network technical requirements, etc.

The RFP also injects Ameritech into interLATA pricing. As described above, the RFP requires the IXC to submit specific rate plans -- residential and business -- with detailed rate structures prescribed by Ameritech and with rates that cannot change absent prior approval by Ameritech. (Curiously, the proposed rates for international and operator-assisted calls "cannot exceed the average tariffed rates of AT&T, MCI, and Sprint by more than 10%" -- a rather interesting rate ceiling given the broad, unending complaints of USTA and its members over interexchange carrier pricing.) The requirement that the IXC pay marketing expenses as a surcharge of \$.03 per minute on all interLATA traffic also indicates direct revenue sharing by Ameritech in interLATA services. And because \$.03 constitutes such a substantial percentage of IXC retail rates (see, e.g., Sprint's broadly advertised dime-a-minute rate), the imposition of the surcharge also suggests strongly that Ameritech is controlling interLATA prices, or at least heavily influencing

(and inflating) those levels because the IXC's ability to set competitive rates has been substantially impaired.<sup>2</sup>

There can be no question that this arrangement violates Section 271. The MFJ court ruled very soon after divestiture in 1986 that the interLATA line-of-business restriction precludes a BOC from selecting an IXC for the customer and marketing the IXC services. United States v. Western Electric Co., 627 F.Supp. 1090 (D.D.C.), *appeal dismissed in relevant part*, 797 F.2d 1082 (D.C.Cir. 1986) (dismissing appeal on shared tenant services for lack of standing) *cert. denied* 480 U.S. 922 (1987). In fact, it was Ameritech itself that unsuccessfully moved the court to "clarify" that its provision of shared tenant services, including automatic carrier selection and traffic analysis, would not violate the decree. The court ruled that the performance of functions which are "normally and necessarily performed" by interexchange carriers, including "making selections of interexchange capacity" and the "marketing of services thus assembled" constitutes the provision of interexchange services prohibited by the decree. 627 F.Supp. at 1100-01. As the court explained to Ameritech, the line-of-business restriction does not merely prohibit "the transmissions themselves" but also the *business* of providing interLATA services. Id. at 1100. The marketing activity proposed by Ameritech would involve the BOCs in "directly competing with the legitimate interexchange providers through their own rate comparisons." Id. The court

---

<sup>2</sup> The RFP makes clear that the IXC bid prices must be inclusive of the surcharge. RFP at 5.

further found the proposal wholly inconsistent with the BOCs' equal access obligations, finding that Ameritech and the other BOCs "expect to stand this presubscription process on its head. Instead of assisting the interexchange providers in their efforts to 'sign up' interexchange customers, the Regional Companies are seeking to offer a presubscription option of their own." Id. at 1102.

This ruling precludes the activity described in Ameritech's RFP until Ameritech has gained Section 271 approval. Ameritech has taken it upon itself to select a preferred interexchange carrier, to market that carrier's services to residential and business customers, and to control virtually every significant aspect of the joint offers. By its very nature, the arrangement will not be available to all but rather exclusive to one or two long distance carriers. These activities -- either viewed independently or in combination -- constitute both the unlawful provision of interLATA services and a violation of Ameritech's equal access obligations.

Like the AT&T consent decree, Section 271 as added by the 1996 Act proscribes BOC provision of interLATA services. Section 271(a). The language of Section 271 is plainly written to maintain the full force and reach of the interLATA prohibition of the decree, subject only to expressly detailed exceptions -- out-of-region services and "incidental interLATA services" -- that are "to be construed narrowly." 271(g), (h). Similarly, Section 251(g) carries forward all of the "same equal access and nondiscriminatory interconnection restrictions and obligations"

of the decree until and unless the FCC rules otherwise. Plainly then, Ameritech could not engage in this activity either before or after February 8, 1996.

Section 271 is designed to allow BOCs to compete with IXC's only after the Commission has found that the local markets have been opened to competition, a finding that of course has not been made or even sought here by Ameritech. Instead, Ameritech is seeking to directly compete with all IXC's other than the preferred one. The fact that the interLATA transmissions of the joint offers might be identified as those belonging to the preferred IXC cannot save the arrangement: Ameritech "would in any event be marketing a telecommunications package that included interexchange services.... [O]nce it began marketing the package, it would have a direct financial interest in ensuring that a particular mix of carriers -- those offered...in conjunction with the Regional Company -- was selected." 627 F.Supp. at 1100 n.39. The prohibited financial interest is all the more direct here, given that the IXC is actually required to turn over 3¢ of every minute carried to Ameritech for marketing expenses.

Moreover, the anticompetitive effects of this proposal plainly spill over into local services as well. As described, the RFP precludes the selected IXC from competing with Ameritech for the provision of local services to any customer served by the joint offer. RFP at 7. Thus, competition for local services will also be diminished by Ameritech's proposal.

Sprint does not mean to suggest here that all teaming arrangements are necessarily proscribed under Section 271. The Commission itself has noted that teaming arrangements by BOCs with unaffiliated IXCs are not expressly governed by Section 272. *See Implementation of the Non-Structural Safeguards of Sections 271 and 272*, CC Dkt. No. 96-149, 11 FCC Rcd 21905 (1996). But the Commission further cautioned:

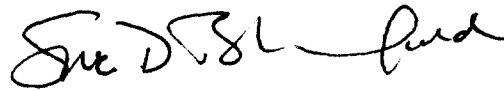
any equal access requirements pertaining to "teaming" activities that were imposed by the MFJ remain in effect until the BOC receives section 271 authorization.

Id. at ¶ 293. Ameritech has wholly ignored this ruling here.

For the foregoing reasons, Sprint respectfully requests the Commission to declare the practices reflected in the RFP illegal and to order Ameritech to cease and desist from further such conduct.

Respectfully submitted,

Leon Kestenbaum  
Vice President and General  
Counsel, Federal  
SPRINT COMMUNICATIONS  
COMPANY, L.P.  
1850 M Street, N.W.  
Washington, DC 20036



Sue D. Blumenfeld  
John L. McGrew

WILLKIE FARR & GALLAGHER  
Three Lafayette Centre  
1155 21st Street, N.W.  
Washington, DC 20036  
(202) 328-8000

ATTORNEYS FOR SPRINT  
COMMUNICATIONS COMPANY, L.P.

April 28, 1998



# ATTACHMENT A

# **AMERITECH REQUEST FOR PROPOSAL NUMBER PR-002-98**

## **SECTION I: GENERAL INFORMATION AND CONDITIONS APPLICABLE TO THE REQUEST PROPOSAL**

### **1.1 PURPOSE**

The purpose of this Request for Proposal (RFP) is to solicit, in connection with Ameritech offering of certain intraLATA services, interexchange carriers (IXCs) to team with Ameritech by offering interLATA services at the lowest price submitted by qualifying IXCs who respond to this RFP (the Ameritech offer and the IXC offer being together referred to as the "joint offers"). Pursuant to the teaming arrangement, Ameritech will provide intraLATA service(s) only to the customers of the joint offers; it will have no responsibility or liability for providing interLATA service(s). All interLATA service(s) will be provided by the IXC teaming partner(s).

### **1.2 SCOPE**

All proposals submitted in response to this RFP should reflect each potential IXC's structure and best prices to customers as a part of the joint offers.

Each IXC agrees that the submission of a proposal in response to this RFP creates no rights or obligations unless or until an agreement for the services described in Section 1.1 is negotiated and executed by Ameritech and the selected IXC.

**AMERITECH EXPECTS TO NEGOTIATE AND EXECUTE ONE OR MORE CONTRACT(S) WITH THE QUALIFIED IXCs FOR THE SERVICES DESCRIBED IN SECTION 1.1 BY MARCH 13, 1998, AND TO BRING THEM TO MARKET AS PART OF THE JOINT OFFERS FULLY OPERATIONALLY TESTED, THIRTY CALENDAR DAYS THEREAFTER. THE ABILITY TO COMPLY WITH THIS DEADLINE (i.e., DEDICATE THE RESOURCES NECESSARY) IS REQUIRED TO QUALIFY FOR SELECTION.**

Further, a response to this RFP constitutes an acknowledgment of the fact that any demand figures contained herein are an estimate only and create no obligation on the part of Ameritech to guarantee a specific amount of any services.

### **1.3 REQUIREMENTS**

All proposals submitted in response to this RFP must meet the following requirements:

- a) Must be based on the specifications and requirements contained in Section II
- b) Must be submitted in accordance with the format established in Section III
- c) All services provided must be Year 2000 compliant

### **1.4 NOTICE TO SUPPLIERS**

The proposal shall be signed by a partner or by a duly authorized officer for the corporation, and shall give the IXC's business address.

The proposal shall be valid for not less than ninety(90) days after the date submitted.

#### **AMERITECH CONFIDENTIAL**

All information contained herein is specifically designated as being confidential and proprietary

# **AMERITECH REQUEST FOR PROPOSAL NUMBER PR-002-98**

## **1.5 NONDISCLOSURE**

**ALL INFORMATION CONTAINED IN THIS REQUEST FOR PROPOSAL IS SPECIFICALLY DESIGNATED AS BEING CONFIDENTIAL AND PROPRIETARY INFORMATION OF AMERITECH.**

The information contained in this RFP is intended for your use only in the preparation of a response to this RFP and may be disclosed only to those employees of your company or its affiliates who, in connection with their work in preparing such response, have a need to know.

This information shall not otherwise be disclosed by your company, except in the manner identified above, without prior written consent of AMERITECH.

## **1.6 DELIVERABLES**

The original and five (5) copies of the proposal must be received by Ameritech no later than 12:00 Noon, March 9th, 1998, to:

Ameritech Services, Inc.  
ATTN: David Atkinson  
2000 West Ameritech Center Drive, 4C78C  
Hoffman Estates, Illinois 60196

Failure to comply with this deadline, or with any of the other requirements set forth herein, will result in the disqualification of your proposal from further consideration.

**THERE WILL BE NO EXTENSIONS TO THIS DEADLINE.**

If it is your intention not to submit a proposal for any of the services referenced in this document, you are requested to make this intention known at the earliest possible time but no later than the closing date.

## **1.7 INQUIRIES**

Questions regarding this Request should be referred in writing by facsimile to David Atkinson at 847-248-3284. Additional information or clarifications related to this RFP will be posted at the same website as this RFP ([www.ameritech.com/RFP/Pathfinder/Q&A](http://www.ameritech.com/RFP/Pathfinder/Q&A)).

**AMERITECH CONFIDENTIAL**

All information contained herein is specifically designated as being confidential and proprietary

# AMERITECH REQUEST FOR PROPOSAL NUMBER PR-002-98

## SECTION II: INSTRUCTIONS, ASSUMPTIONS, AND REQUIREMENTS

### 2.1 SERVICE FORECAST

For purposes of this RFP, assume the following domestic interLATA annual volumes for the joint offers.

	1998	1999
Completed Calls	111M	555M
Completed Minutes	276M	1,390M

### 2.2 FINANCIAL REPORTING

As part of the response to this RFP, you must return your most recent SEC 10-K and 10-Q or a balance sheet, income statement, and cash flow statement for your company's most current year.

### 2.3 SERVICE REQUIREMENTS

Each IXC's interLATA service must meet the following specifications to qualify for participation in the joint offers:

#### 2.3.1 Service Description

The IXC must provide:

- A PIC-based OCP service for direct-dialed, interLATA and international calls made from residences and business anywhere in the U.S
- PIC-based Operator Services for joint offer-subscribed residences and businesses, in support of interLATA Piced customers

#### 2.3.2. Certification

- The IXC must be certified to complete interLATA calls that originate and terminate anywhere in the North American Numbering Plan Area
- The IXC must also be certified to complete international calls that originate inside, but terminate outside of the North American Numbering Plan Area

#### 2.3.3 Billing Options

The IXC must be able to support the following billing options for interLATA calls:

- Direct-dialed, 1+ including the ability to reach 500, 700, 800, 888 and 900 calls, among others
- Ameritech LEC Calling Card
- Other LECs' calling cards
- Collect (via Operator Assisted only)
- Billed to Third Party (via Operator Assisted only)

#### AMERITECH CONFIDENTIAL

All information contained herein is specifically designated as being confidential and proprietary

# AMERITECH REQUEST FOR PROPOSAL NUMBER PR-002-98

## 2.3.4 Transport Requirements

- The IXC must transport all PIC-based interLATA direct-dialed and operator services calls, placed by subscribed customers, that originate and terminate anywhere in the North American Numbering Plan Area
- The IXC must also transport all PIC-based direct-dialed and operator services calls, placed by subscribed customers, that terminate to international locations
- Additional international destinations to be added on mutual agreement of IXC and Ameritech.

## 2.3.5 Network Requirements

- The IXC must use a 100% deployed and compliant SS7 network for domestic traffic
- No MF - SS7 interworking can be employed within the IXC's network
- No more than 1 in 10,000 calls can experience blocking during the busy hour
- Network availability must be 99.999% or greater as measured each month
- The IXC must have alternate routing plans for originating and terminating traffic in the event of an outage effecting its access trunks
- 100% of terminating traffic must complete without experiencing blocking on the carrier's network
- The IXC must provide 24x7 performance monitoring of all system components
- All network connections must be 100% digital, such that the only degradations are delay, jitter, wander, and slips
- The IXC must have an "open" network. Immediately after customers are PIC'd to the IXC within a major LECs local switch, the customer must be capable of originating long distance on the IXC's network
- The IXC must have fiber connectivity to major LEC networks from each POP

## 2.3.6 Call Rating

- The IXC must be able to rate calls in increments of 60 seconds or less

## 2.3.7 Recording

The IXC must record and send billed messages within 24 hours to:

- The originating LEC, or an Ameritech agent, in standard Bellcore Exchange Message Interface (EMI) format for transactions billed to **the originating LECs customers** in the following manner:
  - ⇒ Direct-dialed
  - ⇒ Ameritech LEC Calling Card
  - ⇒ Collect
  - ⇒ Billed to Third
- Other LECs or clearinghouses for transactions billed to **other LECs' customers** in the following manner:
  - ⇒ Other LEC Calling Card
  - ⇒ Collect
  - ⇒ Billed to Third

AMERITECH CONFIDENTIAL

All information contained herein is specifically designated as being confidential and proprietary

# **AMERITECH REQUEST FOR PROPOSAL NUMBER PR-002-98**

## **2.3.8 Retail Pricing**

- For domestic dial-1, the IXC must provide a response for two separate rate plans for residential customers of the joint offers and two separate rate plans for business customers of the joint offers
  - ⇒ A single price point available 24 hours a day
  - ⇒ A peak/off-peak structure with two different price points dependent on the time of day the call was placed
- The IXC can use various price points for international, calling card, collect, directory assistance, billed-to-third and other IXC services that the IXC currently provides. These price points cannot exceed the average tariffed rates of AT&T, MCI, and Sprint by more than 10%
- The prices must be inclusive of all costs associated with the provisioning of interLATA services by the IXC, which costs will be borne by the IXC. These costs include, but are not limited to:
  - ⇒ Switched access
  - ⇒ Transport
  - ⇒ Billing & Collection
  - ⇒ PIC change charge
  - ⇒ Monthly PIC charges
  - ⇒ Bill inquiry
- In addition, the prices must be inclusive of the co-marketing contribution referenced in Section 2.3.16 herein.

## **2.3.9 Tariffs**

- The IXC will be responsible for all filing and administration of interLATA/international tariffs, coordinated with additional filings by Ameritech or other providers, as well as compliance with all regulatory requests or mandates
- The IXC will work with Ameritech to ensure that all customer notification requirements are met

## **2.3.10 Rate Changes**

- The IXC will commit to maintain the proposed price points and price structures throughout the term of the agreement.

## **2.3.11 Billing and Collections**

The IXC must support all necessary billing arrangements:

- The IXC must contract with Ameritech, or an agent, as the Billing and Collections (B&C) agent to process all transactions billed to customers via direct-dialed, Ameritech LEC Calling Card, collect or Billed to Third
- As part of its B&C agreement, the IXC must agree to:
  - ⇒ Provide Ameritech, or the agent, with the right of inquiry (i.e., the ability for Ameritech customer service representatives to perform initial inquiries on the customer's bill)
  - ⇒ Format the bill page according to Ameritech's requirements

**AMERITECH CONFIDENTIAL**

All information contained herein is specifically designated as being confidential and proprietary

## **AMERITECH REQUEST FOR PROPOSAL NUMBER PR-002-98**

- The IXC must have B&C or clearinghouse arrangements to process all transactions billed to other LECs' customers via the Calling Card, Collect or Billed to Third

### **2.3.12 Fraud Management**

- The IXC must be willing to accept responsibility for all subscription fraud
- The IXC must be willing to work with Ameritech to implement systems, procedures and enhancements to minimize fraud

### **2.3.13 Operator Services**

- The IXC will provide the following interLATA PIC-based operator services as a part of the joint offers
  - ⇒ Calling Card via automated and operator assisted
  - ⇒ Collect
  - ⇒ Billed to Third
  - ⇒ Busy Line Verify/Busy Line Interrupt
  - ⇒ National Directory Assistance (NDA) [ **OPTIONAL** ]
    - NDA that **does not** require customers to identify the area code of their requested listing
    - NDA that **does not** require transfer to another provider.
    - Online national directory updates from listing vendors.
    - The ability to escalate DA searches into RBOC gateways in real-time
    - National call completion on every call
- The IXC must be willing to commit to the following operator service center standards for the customers enrolled in the joint offer
  - ⇒ The IXC must operate multiple centers and provide redundancy between centers
  - ⇒ The Operator Services system must be ACD (Automatic Call Distributing) based
  - ⇒ The IXC must provide 24x7 live operator assistance
  - ⇒ The daily average time-to-answer must be less than six seconds
  - ⇒ The daily average operator work time must range between 30 seconds and 40 seconds
- The IXC must provide reasonable training on the joint offers to its operators

### **2.3.14 Taxation**

The IXC will be responsible for maintaining tax tables and rating and remitting all taxes for joint offer calls that it carries to the appropriate authorities

### **2.3.15 Marketing Information**

The IXC must provide, at Ameritech's request, aggregate joint offer customer information to support Ameritech's marketing efforts of the joint offers, including, at a minimum, historical monthly information on volume and revenue associated with customers subscribed to the joint offers

**AMERITECH CONFIDENTIAL**

All information contained herein is specifically designated as being confidential and proprietary

## **AMERITECH REQUEST FOR PROPOSAL NUMBER PR-002-98**

### **2.3.16 Marketing**

- Ameritech will market the joint offers
- The IXC must provide comprehensive training materials for Ameritech to use in training sales and service reps on the services the IXC provides as part of the joint offers
- The IXC will be prohibited from marketing to customers of the joint offers, for so long as they remain customers of the joint offers, services which compete with or substitute for any part or parts of the joint offers
- The IXC will share in the payment of Ameritech's expenses of marketing the joint offers based on the proportion of the revenue received by IXC under the joint offers in relation to the revenue received from all the services in the joint offers. For example, if 80% of the revenue received for all the services in the joint offers is received by the IXC for the IXC's service, the IXC's co-marketing contribution would be used to pay 80% of the marketing expenses. If more than one IXC participates, the marketing payments of each IXC will be based on their portion of the interLATA revenues.
  - ⇒ The IXC will provide its marketing expense contribution by making a periodic payment to Ameritech of \$0.03 per minute for all traffic carried by the IXC for customers subscribing to the joint offer.
- This co-marketing money will be used to facilitate acquisition and retention of customers to the joint offers. The money provided by the IXC will be held by Ameritech in a segregated account and the funds will be used to offset, at cost, the IXC's portion of:
  - ⇒ Television, newspaper, radio, outdoor and other advertising of the joint offers
  - ⇒ Promotion incentives for new customers to sign up for the joint offers
  - ⇒ Direct mail and marketing collateral related to the joint offers
  - ⇒ Telemarketing and service ordering expense associated with the joint offers
  - ⇒ Marketing initiatives to encourage customers to remain on the joint offers
- Any unused amounts in the segregated account will be returned to the IXC after the termination of the contract
- Ameritech reserves the right to periodically audit marketing contributions to verify that they have been provided based on the agreed upon formula

### **2.3.17 Ordering & Provisioning**

- The IXC must support joint offers selections through carrier change orders processed by major LEC service representatives without specification of a particular USOC (Universal Service Order Code) through existing CARE processes in such a way that requires no systems development by the major LECs
- The IXC must support provisioning of USOC driven joint offers for orders generated by 3<sup>rd</sup> party telemarketers/representatives which are passed directly to the IXC. The IXC will then notify Ameritech and other LECs through existing CARE processes using the AC billing option so that PIC change charges do not appear on the customer's bill
- The IXC must process PICs within 24 hours with all major U.S. LECs
- PIC response / acknowledgment files must be sent by the IXC back to Ameritech and the originating major LEC within 24 hours and files must be in industry standard PIC/CARE format

**AMERITECH CONFIDENTIAL**

All information contained herein is specifically designated as being confidential and proprietary



## **AMERITECH REQUEST FOR PROPOSAL NUMBER PR-002-98**

- All PIC rejects received by the IXC must be processed within 24 hours
- The IXC must have established electronic PIC processing with all major U.S. LECs
- The IXC must have demonstrated ability to interface with "legacy" U.S. LEC systems and be able to adapt billing procedures and CDR file formats to their standards

### **2.3.18 Customer Service**

- Ameritech will serve as the originating point of all customer service for customers on the plan
- The IXC must have the ability to provide Ameritech electronic access (within 60 seconds) to individual accounts for service changes

**AMERITECH CONFIDENTIAL**

All information contained herein is specifically designated as being confidential and proprietary

# AMERITECH REQUEST FOR PROPOSAL NUMBER PR-002-98

## SECTION III: RESPONSES

### 3.1 RESPONSE TO REQUIREMENTS

Please indicate your ability and/or willingness to meet the following service requirements in time to thoroughly test and launch the service by 30 calendar days after 13 March 1998. If you are able to meet a service requirement, but not in time to launch the service by 30 calendar days after 13 March 1998, you must answer "No" to that question.

<b>3.1.1 <u>Year 2000 Compliance</u></b>		
Are all the services that you propose to provide under this proposal Year 2000 compliant?	YES [ ]	NO [ ]
<b>3.1.2 <u>Certification</u></b>		
Are you certified to complete interLATA calls that originate and terminate anywhere in the North American Numbering Plan Area?	YES [ ]	NO [ ]
Are you certified to complete international calls that originate inside, but terminate outside of the North American Numbering Plan Area?	YES [ ]	NO [ ]
<b>3.1.3 <u>Billing Options</u></b>		
Does your billing platform support 1+ direct-dialed long distance including 500, 700, 800, 888 and 900 calls, among others?	YES [ ]	NO [ ]
Does your billing platform support LEC calling cards for both station-to-station and person-to-person calls?	YES [ ]	NO [ ]
Does your billing platform support collect for both station-to-station and person-to-person calls?	YES [ ]	NO [ ]
Does your billing platform support Bill to Third Party for both station-to-station and person-to-person calls?	YES [ ]	NO [ ]
<b>3.1.4 <u>Transport Requirements</u></b>		
Are you able to transport all PIC-based interLATA direct-dialed and operator services calls, placed by subscribed customers, that originate and terminate anywhere in the North American Numbering Plan Area?	YES [ ]	NO [ ]
Are you able to transport all PIC-based direct-dialed and operator services calls, placed by subscribed customers that terminate to international locations?	YES [ ]	NO [ ]
Are you able to support adding additional international destinations on mutual agreement with Ameritech?	YES [ ]	NO [ ]
<b><i>Please attach a complete list of international locations served and those which are not served indicating which are blocked due to fraud versus being off net</i></b>		
<b>3.1.5 <u>Network Requirements</u></b>		

**AMERITECH CONFIDENTIAL**

All information contained herein is specifically designated as being confidential and proprietary

# AMERITECH REQUEST FOR PROPOSAL NUMBER PR-002-98

Do you use a 100% deployed and compliant SS7 network for domestic traffic?	YES [ ]	NO [ ]
Do you employ MF - SS7 interworking?	YES [ ]	NO [ ]
Can you support a blocking level of no more than 1 in 10,000 calls during the busy hour?	YES [ ]	NO [ ]
<b><i>If yes, please provide history for the most recent 12 months reflecting blocking performance levels during the busy hour.</i></b>		
Can you support a monthly network availability of 99.999% or greater?	YES [ ]	NO [ ]
<b><i>If yes, please provide history for the most recent 12 months documenting network availability.</i></b>		
Do you employ alternate routing plans for originating and terminating traffic in the event of an outage effecting your access trunks?	YES [ ]	NO [ ]
<b><i>If yes, please provide specifications of your alternate routing plan that ensure redundancy and do not impact call processing.</i></b>		
Can you support 100% of terminating traffic completing without experiencing blocking on your network?	YES [ ]	NO [ ]
<b><i>If yes, please provide history for the most recent 12 months.</i></b>		
Do you provide 24x7 performance monitoring of all system components?	YES [ ]	NO [ ]
Are all your network connections 100% digital?	YES [ ]	NO [ ]
Have you experienced any FCC reportable outages over the last twelve months?	YES [ ]	NO [ ]
⇒ If so, how many?		_____
⇒ If so, what was the average time required to reestablish service?		_____
Will customers be capable of originating long distance calls on your network immediately after they are PIC'd to your network within the originating LECs local switch?	YES [ ]	NO [ ]
Do you have fiber connectivity to major LEC networks from each POP?	YES [ ]	NO [ ]
<b><i>Please attach a list of your existing POPs by city, state and location and identify which POPs are SONET compatible</i></b>		
<b>3.1.6 <u>Call Rating</u></b>		
Are you able to rate calls in increments of 60 seconds or less?	YES [ ]	NO [ ]
<b>3.1.7 <u>Recording</u></b>		

**AMERITECH CONFIDENTIAL**

All information contained herein is specifically designated as being confidential and proprietary

## AMERITECH REQUEST FOR PROPOSAL NUMBER PR-002-98

Are you able to record and send billed messages to the originating LEC, or an Ameritech agent in standard EMI format for transactions billed to <b><i>the originating LECs customers</i></b> via direct dial, calling card, collect or billed to third within 24 hours of generating the message?	YES <input type="checkbox"/> NO <input type="checkbox"/>
Are you able to send to other LECs or clearinghouses for transactions billed to <b><i>other LECs' customers</i></b> via calling card, collect or billed to third within 24 hours of generating the message?	YES <input type="checkbox"/> NO <input type="checkbox"/>

<b>3.1.8 Retail Pricing</b>		
Are you able to support a structure for domestic, direct dialed interLATA calls that provides a single price point, available twenty four hours a day?	YES <input type="checkbox"/> NO <input type="checkbox"/>	
If yes, what is your proposed residential price point? <b>Example: \$.XX</b>	_____	
If yes, what is your proposed business price point? <b>Example: \$.YY</b>	_____	
Are you able to support a structure for domestic, direct dialed interLATA calls that provides a peak/off-peak structure with two price points during a twenty-four hour period?	YES <input type="checkbox"/> NO <input type="checkbox"/>	
If yes, what are your proposed residential peak hours? <b>Example: 7AM - 7PM</b>	Start _____ 	End _____ 
If yes, what is your proposed residential peak price? <b>Example: \$.ZZ</b>	_____	
If yes, what are your proposed residential off-peak hours? <b>Example: 7PM - 7AM</b>	Start _____ 	End _____ 
If yes, what is your proposed residential off-peak price? <b>Example: \$.AA</b>	_____	
If yes, what are your proposed business peak hours? <b>Example: 7PM - 7AM</b>	Start _____ 	End _____ 
If yes, what is your proposed business peak price? <b>Example: \$.BB</b>	_____	
If yes, what are your proposed business off-peak hours? <b>Example: 7PM - 7AM</b>	Start _____ 	End _____ 
If yes, what is your proposed business off-peak price? <b>Example: \$.CC</b>	_____	
<b>Please attach a complete list of surcharges and rates by billing option</b>		

## AMERITECH REQUEST FOR PROPOSAL NUMBER PR-002-98

*(calling card, collect, etc.) and by country for international, calling card, collect, directory assistance, billed-to-third and other services that you currently provide in addition to direct dialed domestic calling*

### 3.1.9 Tariffs

Are you willing to be responsible for all filing and administration of interLATA/international tariffs, coordinated with additional filings by Ameritech or other providers, as well as compliance with all regulatory requests or mandates? YES [ ] NO [ ]

Are you willing to work with Ameritech to ensure that all customer notification requirements are met? YES [ ] NO [ ]

### 3.1.10 Rate Changes

Are you willing to commit to maintain the proposed price points and price structures throughout the term of the agreement unless you obtain Ameritech's prior consent? YES [ ] NO [ ]

### 3.1.11 Billing and Collections

Are you willing to contract with Ameritech, or an agent, as the Billing and Collections (B&C) agent to process all transactions billed to customers via direct-dialed, Ameritech LEC Calling Card, collect or Billed to Third? YES [ ] NO [ ]

Are you willing, as part of your B&C agreement with Ameritech or its agent, to provide Ameritech or its agent with the right of inquiry? YES [ ] NO [ ]

Are you willing, as part of your B&C agreement with Ameritech or its agent, to format the bill page according to Ameritech's requirements? YES [ ] NO [ ]

Do you currently have B&C agreements or clearing house arrangements for billing LECs other than Ameritech? YES [ ] NO [ ]

⇒ If not, are you willing to establish B&C or clearing house arrangements to process all transactions billed to other LECs' customers via calling card, collect or billed to third? YES [ ] NO [ ]

### 3.1.12 Fraud Management

Are you willing to accept responsibility for all subscription fraud? YES [ ] NO [ ]

Are you willing to work with Ameritech to implement systems, procedures and enhancements to minimize fraud? YES [ ] NO [ ]

### 3.1.13 Operator Services

Are you able to provide calling card, collect, billed to third, busy line verify/interrupt operator services as a part of the joint offers? YES [ ] NO [ ]

Are you able to provide national directory assistance that **does not** require customers to identify the area code of their required listing and **does not** require transfer to another provider? YES [ ] NO [ ]

Does your directory service receive national directory updates from listing vendors? YES [ ] NO [ ]

**AMERITECH CONFIDENTIAL**

All information contained herein is specifically designated as being confidential and proprietary

## AMERITECH REQUEST FOR PROPOSAL NUMBER PR-002-98

Are you able to escalate DA searches into RBOC gateways in real-time?	YES [ ]	NO [ ]
Are you able to provide directory assistance call completion on every call?	YES [ ]	NO [ ]
Do you operate multiple centers?	YES [ ]	NO [ ]
⇒ If so, how many operator services centers do you operate?	_____	
Is redundancy provided between centers?	YES [ ]	NO [ ]
Is your operator services systems based on ACD (Automatic Call Distributing)?	YES [ ]	NO [ ]
Are you operator services centers available 24 x 7?	YES [ ]	NO [ ]
How many positions are in operation at each location?	_____	
What is the maximum call handling capacity per hour?	_____	
Are you willing to provide reasonable training on the joint offers to your operators?	YES [ ]	NO [ ]
Are you able to meet a daily average time-to-answer of six seconds or less?	YES [ ]	NO [ ]
Are you able to meet a average operator work time of 30 seconds to 40 seconds?	YES [ ]	NO [ ]
<b>3.1.14 <u>Taxation</u></b>		
Are you willing to be responsible for maintaining tax tables, and rating and remitting all taxes to the appropriate authorities for all joint offer calls that you carry?	YES [ ]	NO [ ]
<b>3.1.15 <u>Marketing Information</u></b>		
Are you willing to provide, at Ameritech's request, aggregate joint offer customer information to support Ameritech's marketing efforts of the joint offers, including, at a minimum, historical monthly information on volume and revenue associated with customers subscribed to the joint offers?	YES [ ]	NO [ ]
<b>3.1.16 <u>Marketing</u></b>		
Are you willing to permit Ameritech to market the joint offers ?	YES [ ]	NO [ ]
Are you willing to provide comprehensive training materials for Ameritech to use in training sales and service reps?	YES [ ]	NO [ ]
Are you willing to be prohibited from marketing to customers of the joint offers, for so long as they remain customers of the joint offers, services which compete with or substitute for any part or parts of the joint offers ?	YES [ ]	NO [ ]
Subject to the restrictions specified in Section 2.3.16 herein, are you willing to provide Ameritech with co-marketing contributions of \$.03 per minute for all traffic carried by IXC for customers subscribing to the joint offers to facilitate acquisition and retention of customers to the joint offers?	YES [ ]	NO [ ]

**AMERITECH CONFIDENTIAL**

All information contained herein is specifically designated as being confidential and proprietary

## AMERITECH REQUEST FOR PROPOSAL NUMBER PR-002-98

### 3.1.17 Ordering & Provisioning

Are you able to place on the joint offers all carrier change orders processed by major LEC service representatives through existing CARE feeds without specification of a particular USOC in such a way that requires no systems development by the major LECs?	YES [ ]	NO [ ]
Are you able to support provisioning of USOC driven joint offers for orders generated by 3 <sup>rd</sup> party telemarketers/representatives and then notify Ameritech and other LECs through existing CARE processes using the AC billing option so that PIC change charges do not appear on the customer's bill?	YES [ ]	NO [ ]
Are you able to process PICs within 24 hours with all major U.S. LECs?	YES [ ]	NO [ ]
Are you able to send PIC response/acknowledgment files back to the originating LEC within 24 hours in industry standard PIC/CARE format?	YES [ ]	NO [ ]
Are you able to process all PIC rejects within 24 hours of receiving them?	YES [ ]	NO [ ]
Do you have established electronic PIC processing with all major U.S. LECs?	YES [ ]	NO [ ]
Do you have a demonstrated ability to interface with "legacy" U.S. LEC systems and can you adapt billing procedures and CDR file formats to their standards?	YES [ ]	NO [ ]

### 3.1.18 Customer Care

Are you willing to permit Ameritech to serve as the originating point of all customer service for customers on the joint offers?	YES [ ]	NO [ ]
Do you have the ability to provide Ameritech electronic access (within 60 seconds) to individual accounts for service changes?	YES [ ]	NO [ ]

**AMERITECH CONFIDENTIAL**

All information contained herein is specifically designated as being confidential and proprietary

## **CERTIFICATE OF SERVICE**

I, Catherine M. DeAngelis, do hereby certify that on this 28th day of April, 1998, copies of the foregoing "Petition for Declaratory Ruling of Sprint Communications Company, LP" were hand delivered or sent by First Class Mail, postage prepaid, to the following parties:

Thomas Power \*  
Office of Chairman Kennard  
Federal Communications Commission  
1919 M Street, N.W.  
Room 814  
Washington, DC 20554

James L. Casserly \*  
Office of Commissioner Ness  
Federal Communications Commission  
1919 M Street, N.W.  
Room 832  
Washington, DC 20554

Kevin J. Martin \*  
Office of Commissioner Furchtgott-Roth  
Federal Communications Commission  
1919 M Street, N.W.  
Room 802  
Washington, DC 20554

Kyle D. Dixon \*  
Office of Commissioner Powell  
Federal Communications Commission  
1919 M Street, N.W.  
Room 844  
Washington, DC 20554

Paul Gallant \*  
Office of Commissioner Tristani \*  
Federal Communications Commission  
1919 M Street, N.W.  
Room 826  
Washington, DC 20554

A. Richard Metzger, Jr., Chief \*  
Common Carrier Bureau  
Federal Communications Commission  
1919 M Street, N.W.  
Room 500  
Washington, DC 20554

Richard Welch, Deputy Chief  
Common Carrier Bureau  
Federal Communications Commission  
1919 M Street, N.W.  
Room 500  
Washington, DC 20554

Carol Matthey \*  
Policy and Program Planning Division  
Common Carrier Bureau  
Federal Communications Commission  
1919 M Street, N.W.  
Room 500  
Washington, DC 20554



Melissa Newman \*  
Policy and Program Planning Division  
Common Carrier Bureau  
Federal Communications Commission  
1919 M Street, N.W.  
Room 500  
Washington, DC 20554

Gary Phillips  
Director of Legal Affairs  
Ameritech  
1401 H Street, NW  
Suite 1020  
Washington, DC 20005

International Transcription Service \*  
Room 140  
2100 M Street, N.W.  
Washington, D.C. 20554

  
Catherine M. DeAngelis

\* Filing was hand-delivered, not sent via U.S. Mail